

Prolific Trade N.V.

Groot Kwartierweg 10
Livestrong Building
Curaçao

FINANCIAL STATEMENTS 2023

Correspondence Address of the Company:

PO Box 423
Curaçao

Table of contents

	Page
Director's report	2
Financial statements	
Balance sheet as at 31 December 2023	3
Income statement for the year 2023	4
Notes to the financial statements	5
Notes to the balance sheet	7
Notes to the income statement	14

Prolific Trade N.V.
Willemstad

Director's report

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

During the period under review, the Company recorded a net profit of EUR 560,662,388. Details of which are set out in the attached Profit and Loss account.

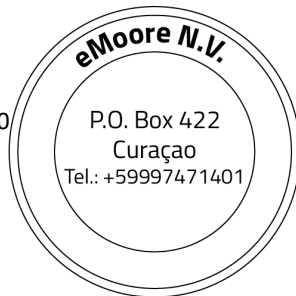
Curaçao, January 9th, 2025

Deew

C. Drommond

eMoore N.V.
Managing Director

Groot Kwartierweg 10
Curaçao



Prolific Trade N.V.

Balance sheet as at 31 December 2023

ASSETS

		<u>31-12-2023</u>	<u>31-12-2022</u>
		€	€
Fixed assets			
Intangible assets	1	3,901	6,145
Financial assets			
Investment in participations	2	10,315	-
Loan receivables from related parties	3	4,850,559	4,800,000
		<u>4,860,874</u>	<u>4,800,000</u>
Current assets			
Receivables			
Receivables from related parties	4	3,419,025	1,853,702
Other receivables	5	887,582,764	462,884,114
		<u>891,001,789</u>	<u>464,737,816</u>
Cash and cash equivalents	6	76,999,829	8,916,906
TOTAL ASSETS		<u><u>972,866,393</u></u>	<u><u>478,460,867</u></u>

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity	7		
Issued and fully paid share capital		8	8
Retained earnings		35,230,879	25,309,907
Result for the year		<u>560,662,388</u>	<u>426,996,372</u>
		<u>595,893,275</u>	<u>452,306,287</u>
Provisions			
Provision participations		<u>-</u>	<u>29,843</u>
Current liabilities, accruals and deferred income			
Accounts payable	8	59,863,804	25,690,554
Profit tax payable		33,914	434,183
Other payables	9	<u>317,075,400</u>	<u>-</u>
		<u>376,973,118</u>	<u>26,124,737</u>
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		<u><u>972,866,393</u></u>	<u><u>478,460,867</u></u>

Prolific Trade N.V.

Income statement for the year 2023

	<u>2023</u>	<u>2022</u>
	€	€
Net revenue	545,323,007	678,902,101
Operational costs	¹⁰ (220,614,504)	(154,276,239)
Operational result	324,708,503	524,625,862
General and administrative expenses	¹¹ 2,403,985	618,820
Result before interest and taxes	322,304,518	524,007,042
Interest income	142,923	-
Correction on interest income	-	(115)
Currency translation differences	238,201,065	(96,979,301)
Financial result	<u>238,343,988</u>	<u>(96,979,416)</u>
Result before profit tax	560,648,506	427,027,626
Profit tax expense	(26,276)	(1,299)
	560,622,230	427,026,327
Result participation	40,158	(29,955)
NET RESULT FOR THE YEAR	<u>560,662,388</u>	<u>426,996,372</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
2023	1.10364	5.35376
2022	1.06749	5.64080

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.

Prolific Trade N.V.

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.

Prolific Trade N.V.

Notes to the balance sheet

1 Intangible assets

As at 31 December 2023 this item can be detailed as follows:

	Domain
	€
Book value as at 1 January 2023	6,145
Amortization for the year	(2,244)
Book value as at 31 December 2023	<u>3,901</u>

The company purchased a domain in September 2022 for a cost of EUR 6,749. Domains have a finite useful life and are amortised on a straight line basis over 3 years.

Financial assets

2 Investment in participations

	31-12-2023	31-12-2022
	€	€
Participation in Horangi Trading Limited	<u>10,315</u>	<u>-</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:

Participation in Horangi Trading Limited

	2023	2022
	€	€
Book value as at 1 January	-	112
Result participation for the year	40,158	(29,955)
Addition to/(Reversal of) provision	(29,843)	29,843
Book value as at 31 December	<u>10,315</u>	<u>-</u>

Prolific Trade N.V.**3 Loan receivables from related parties**

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Receivable from Ultimate Beneficial Owner	<u>4,850,559</u>	<u>4,800,000</u>

Receivable from Horangi Trading Limited

	<u>2023</u>	<u>2022</u>
	€	€
Book value as at 1 January	-	50,115
Reclassification	-	(50,000)
Corrections	-	(115)
Book value as at 31 December	<u>-</u>	<u>-</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. In 2022, the book value of the loan was reclassified to the inter-company balance with Horangi Trading Limited.

Receivable from Ultimate Beneficial Owner

	<u>2023</u>	<u>2022</u>
	€	€
Book value as at 1 January	4,800,000	-
Issue in financial year	-	4,800,000
Accrued interest for the year	142,923	-
Repayment in financial year	(92,364)	-
Book value as at 31 December	<u>4,850,559</u>	<u>4,800,000</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.

Prolific Trade N.V.

4 Receivables from related parties

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Receivable from Horangi Trading Limited	3,223,921	1,753,584
Receivable from Black & White Ltd	93,010	20,079
Receivable from Red & Blue	34,296	-
Receivable from Blaze Ltd	-	80,039
Receivable from Ultimate Beneficial Owner	62,852	-
Receivable from Ascend Entertainment N.V.	4,946	-
	<u>3,419,025</u>	<u>1,853,702</u>

Receivable from Horangi Trading Limited

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	1,753,584	3,458
Movement for the year	<u>1,470,337</u>	<u>1,750,126</u>
Balance as at 31 December	<u>3,223,921</u>	<u>1,753,584</u>

In 2021, Prolific Trade N.V. (the Company) entered into a Service Level Agreement with Horangi Trading Limited (the Agent), under which the Agent agreed to provide services to the Company related to revenue collection functions. These services include, but are not limited to, accepting and executing payments, transfers, deposits, and settlements on behalf of the Company, as directed by it.

The intercompany balance primarily represents the net amount accepted by the Agent after deducting the disbursements executed on behalf of the Company.

Receivable from Black & White Ltd

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	20,079	11,937
Movement for the year	<u>72,931</u>	<u>8,142</u>
Balance as at 31 December	<u>93,010</u>	<u>20,079</u>

The intercompany balance represents payments made by the Company on behalf of the related party.

Prolific Trade N.V.**Receivable from Red & Blue**

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	-
Movement for the year	<u>34,296</u>	<u>-</u>
Balance as at 31 December	<u><u>34,296</u></u>	<u><u>-</u></u>

The intercompany balance represents payments made by the Company on behalf of the related party.

Receivable from Blaze Ltd

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	80,039	-
Movement for the year	(16,152)	80,039
Write off	<u>(63,887)</u>	<u>-</u>
Balance as at 31 December	<u><u>-</u></u>	<u><u>80,039</u></u>

The related party Blaze Ltd was dissolved in 2023; therefore, the balance was written off.

Receivable from Ultimate Beneficial Owner

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	-
Movement for the year	<u>62,852</u>	<u>-</u>
Balance as at 31 December	<u><u>62,852</u></u>	<u><u>-</u></u>

The intercompany balance represents payments made by the Company on behalf of the related party.

Receivable from Ascend Entertainment N.V.

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	-
Movement for the year	<u>4,946</u>	<u>-</u>
Balance as at 31 December	<u><u>4,946</u></u>	<u><u>-</u></u>

The intercompany balance represents payments made by the Company on behalf of the related party.

5 Other receivables

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Deposits	1,865	1,865
Receivable from third parties	2,613	2,613
Receivable from Payment Service Providers	21,100,317	49,778,258
Crypto wallets	859,291,678	412,747,338
Prepaid expenses	27,459	354,040
Escrow balances *	7,158,832	-
	<u>887,582,764</u>	<u>462,884,114</u>

* The escrow balance represents the total amount held in escrow for a pending dispute and further investigation. The dispute was resolved on May 15, 2024, and the funds were released back to the company.

6 Cash and cash equivalents

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Cash-in-transit	22,584,234	3,634,414
Paymix Ltd, current account	49,183,224	5,205,835
Paymix Ltd, mastercard	41,439	73,050
ISX Money, current account	5,190,932	3,607
	<u>76,999,829</u>	<u>8,916,906</u>

All cash and cash equivalents are freely available to the Company.

Cash-in-transit represents receivables settled by payment service providers that had not yet been credited to the Company's bank accounts as of year-end.

Prolific Trade N.V.

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 2023, 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 2023	8	25,309,907	426,996,372	452,306,287
Result for the year	-	-	560,662,388	560,662,388
Appropriation of result	-	426,996,372	(426,996,372)	-
Dividend distribution	-	(417,075,400)	-	(417,075,400)
Balance as at 31 December 2023	8	35,230,879	560,662,388	595,893,275

Other provisions

As at 31 December 2023 this item can be detailed as follows:

	31-12-2023	31-12-2022
	€	€
Provision participations	-	29,843

Provision Horangi Trading Limited

	2023	2022
	€	€
Balance as at 1 January	29,843	-
Movement for the year	(29,843)	29,843
Balance as at 31 December	-	29,843

Prolific Trade N.V.**8 Accounts payable**

As at 31 December 2023 this item can be detailed as follows:

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Creditors	6,362,759	6,076,932
Player balance *	<u>53,501,045</u>	<u>19,613,622</u>
	<u>59,863,804</u>	<u>25,690,554</u>

* Player balance represents the amount the Company owes to players, which is available on demand in their accounts for withdrawal or betting activities. The balance reflected in the Financial Statements includes the aggregated real balances, bonus balances, and pending withdrawals of all players as of December 31, 2023.

Payables to Blaze Ltd

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	110,934
Movement for the year	<u>-</u>	<u>(110,934)</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

Payables to Ultimate Beneficial Owner

	<u>2023</u>	<u>2022</u>
	€	€
Balance as at 1 January	-	1,000
Movement for the year	<u>-</u>	<u>(1,000)</u>
Balance as at 31 December	<u>-</u>	<u>-</u>

9 Other payables

	<u>31-12-2023</u>	<u>31-12-2022</u>
	€	€
Dividend payable	<u>317,075,400</u>	<u>-</u>

Notes to the income statement

10 Operational costs

	2023	2022
	€	€
Marekting and affiliate expenses	107,120,122	64,452,941
Sponsoring expenses	5,121,329	-
Webhosting expenses	3,064,957	2,268,456
Software / IT and Hosting expenses	43,861,412	33,271,683
Customer support expenses	4,915,744	1,380,781
Customer compliance support expenses	207,642	133,170
Payment processing expenses	56,212,976	52,742,470
Agency expenses	97,867	24,000
Lisence fee	11,653	2,134
Depreciation expenses	2,244	604
Correction previous year	(1,442)	-
	<u>220,614,504</u>	<u>154,276,239</u>

11 General and administrative expenses

	2023	2022
	€	€
Management expenses	538,166	376,051
Legal and professional expenses	1,144,716	123,334
Office rent expenses	26,489	25,124
Bank expenses	240,852	121,730
Crypto wallet expenses	4,696	1,775
Travel and accomodation expenses	97,929	86,398
Other expenses	259,861	1,547
Write off receivables / (payables)	91,276	(117,139)
	<u>2,403,985</u>	<u>618,820</u>

Disclosure of income tax expense

The Company applied for foreign-sourced income; therefore, a profit tax rate of 15% is applicable to the domestic net result incurred by the Company. Consequently, the profit tax has been calculated at EUR 26,276.