

Prolific Trade N.V.

Groot Kwartierweg 10
Livestrong Building
Curaçao

FINANCIAL STATEMENTS 2024

Table of contents

	Page
Director's report	2
Financial statements	
Balance sheet as at 31 December 2024	3
Income statement for the year 2024	4
Notes to the financial statements	5
Notes to the balance sheet	7
Notes to the income statement	13

Prolific Trade N.V.
Willemstad

Director's report

We are pleased to present you with the Annual Report for the period January 1, 2024 through December 31, 2024.

During the period under review, the Company recorded a net profit of EUR 842,273,503. Details of which are set out in the attached Profit and Loss account.

Curaçao,

eMoore N.V.
Managing Director

Groot Kwartierweg 10
Curaçao

Prolific Trade N.V.**Balance sheet as at 31 December 2024***(After appropriation of result)***ASSETS**

		31-12-2024	31-12-2023
		€	€
Fixed assets			
Intangible assets	1	1,646	3,901
Financial assets			
Investment in participations	2	14,401	10,315
Loan receivables from related parties	3	155,158	4,850,559
		169,559	4,860,874
Current assets			
Receivables			
Receivables from related parties	4	9,576,131	3,419,025
Other receivables	5	1,446,978,339	887,582,764
		1,456,554,470	891,001,789
Cash and cash equivalents	6	29,535,254	76,999,829
TOTAL ASSETS		<u>1,486,260,929</u>	<u>972,866,393</u>

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity	7		
Share capital		4,458	8
Retained earnings		595,893,267	35,230,879
Result for the year		842,273,503	560,662,388
		1,438,171,228	595,893,275
Current liabilities, accruals and deferred income			
Accounts payable	8	48,021,699	59,863,804
Profit tax payable		68,002	33,914
Other payables	9	-	317,075,400
		48,089,701	376,973,118
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		<u>1,486,260,929</u>	<u>972,866,393</u>

Income statement for the year 2024

	<u>2024</u>	<u>2023</u>
	€	€
Net revenue	492,890,544	545,323,007
Operational costs	¹⁰ <u>(272,872,329)</u>	<u>(220,614,504)</u>
Operational result	220,018,215	324,708,503
General and administrative expenses	¹¹ <u>1,391,559</u>	<u>2,403,985</u>
Result before interest and taxes	218,626,656	322,304,518
Interest income	127,851	142,923
Currency translation differences	<u>623,561,290</u>	<u>238,201,065</u>
Financial result	<u>623,689,141</u>	<u>238,343,988</u>
Result before profit tax	842,315,797	560,648,506
Profit tax expense	<u>(46,380)</u>	<u>(26,276)</u>
	842,269,417	560,622,230
Result participation	<u>4,086</u>	<u>40,158</u>
NET RESULT FOR THE YEAR	<u><u>842,273,503</u></u>	<u><u>560,662,388</u></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
2024	1.03500	6.40137
2023	1.10364	5.35376

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.

Notes to the balance sheet

1 Intangible assets

As at 31 December 2024 this item can be detailed as follows:

	Domain €
Book value as at 1 January 2024	3,901
Amortization for the year	<u>(2,255)</u>
Book value as at 31 December 2024	<u><u>1,646</u></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.

2 Investment in participations

	31-12-2024 €	31-12-2023 €
Participation in Horangi Trading Limited	<u>14,401</u>	<u>10,315</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

	2024 €	2023 €
Book value as at 1 January	10,315	-
Result participation for the year	4,086	40,158
Addition to/(Reversal of) provision	<u>-</u>	<u>(29,843)</u>
Book value as at 31 December	<u><u>14,401</u></u>	<u><u>10,315</u></u>

During 2022, the value of the participation became negative, for which a provision was recognized, resulting in the carrying amount of the participation being reduced to nil. In 2023, the value of the participation became positive again, leading to the full reversal of the previously recognized provision.

3 Loan receivables from related parties

As at 31 December 2024 this item can be detailed as follows:

	31-12-2024	31-12-2023
	€	€
Receivable from Ultimate Beneficial Owner	-	4,850,559
Receivable from Foggo Entertainment LTDA, 5.5%, maturity 17.09.2026	102,109	-
Receivable from Ascend Entertainment N.V., 5%, maturity 17.05.2027	53,049	-
	<u>155,158</u>	<u>4,850,559</u>

Receivable from Ultimate Beneficial Owner

	2024	2023
	€	€
Book value as at 1 January	4,850,559	4,800,000
Accrued interest for the year	70,568	142,923
Repayment in financial year	(4,707,636)	(92,364)
Forgiveness	(213,491)	-
Book value as at 31 December	<u>-</u>	<u>4,850,559</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. The mortgage was fully repaid and settled in July 2024.

4 Receivables from related parties

As at 31 December 2024 this item can be detailed as follows:

	31-12-2024	31-12-2023
	€	€
Receivable from Horangi Trading Limited	3,372,069	3,223,921
Receivable from Black & White Ltd	93,218	93,010
Receivable from Red & Blue	5,134,639	34,296
Receivable from Ultimate Beneficial Owner	64,989	62,852
Receivable from Foggo Entertainment LTDA	911,216	-
Receivable from Ascend Entertainment N.V.	-	4,946
	<u>9,576,131</u>	<u>3,419,025</u>

Prolific Trade N.V.

Receivable from Horangi Trading Limited

	<u>2024</u>	<u>2023</u>
	€	€
Balance as at 1 January	3,223,921	1,753,584
Amount accepted on behalf of Company	(3,043,146)	(4,853,828)
Disbursements on behalf of company	<u>3,191,294</u>	<u>6,324,165</u>
Balance as at 31 December	<u><u>3,372,069</u></u>	<u><u>3,223,921</u></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>2024</u>	<u>2023</u>
	€	€
Balance as at 1 January	93,010	20,079
Movement during the year	<u>208</u>	<u>72,931</u>
Balance as at 31 December	<u><u>93,218</u></u>	<u><u>93,010</u></u>

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

Receivable from Red & Blue

	<u>2024</u>	<u>2023</u>
	€	€
Balance as at 1 January	34,296	-
Movement during the year	<u>5,100,343</u>	<u>34,296</u>
Balance as at 31 December	<u><u>5,134,639</u></u>	<u><u>34,296</u></u>

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

In 2024, approximately EUR 5 million was transferred to the related party. The amount was fully repaid within one year, in February 2025, and is presented as a current balance as at year-end.

Prolific Trade N.V.

Receivable from Ultimate Beneficial Owner

	2024	2023
	€	€
Balance as at 1 January	62,852	-
Movement during the year	2,137	62,852
Balance as at 31 December	64,989	62,852

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

Receivable from Ascend Entertainment N.V.

	2024	2023
	€	€
Balance as at 1 January	4,946	-
Reclassification to Non-current Credit facility	(4,946)	4,946
Balance as at 31 December	-	4,946

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

5 Other receivables

As at 31 December 2024 this item can be detailed as follows:

	31-12-2024	31-12-2023
	€	€
Deposits	1,865	1,865
Receivable from third parties	2,613	2,613
Receivable from Payment Service Providers	21,468,810	21,100,317
Crypto wallets	1,417,939,576	859,291,678
Prepaid expenses	406,643	27,459
Escrow balances *	7,158,832	7,158,832
	1,446,978,339	887,582,764

* The escrow balance represents the total amount held in escrow in relation to a dispute and related investigation. The dispute has been resolved and the funds will be released to the company.

6 Cash and cash equivalents

As at 31 December 2024 this item can be detailed as follows:

	31-12-2024	31-12-2023
	€	€
Cash-in-transit	1,190,517	22,584,234
Paymix Ltd, current account	11,640,870	49,183,224
Paymix Ltd, mastercard CC44	134,108	41,439
Paymix Ltd, mastercard CC94	48,006	-
Paymix Ltd, player funds account	(720)	-
ISX Money, current account	54,283	5,190,932
Capital International Bank	16,468,190	-
	<u>29,535,254</u>	<u>76,999,829</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.

7 Shareholder's equity

As at December 31, 2024, the Company's authorized share capital consists of 500 shares with a nominal value of USD 10.00 each. Of these, 499 shares were fully paid-up during 2024.

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

	Share capital	Retained earnings	Result for the year	Total
	€	€	€	€
Balance as at 1 January 2024	8	35,230,879	560,662,388	595,893,275
Appropriation of result	-	560,662,388	(560,662,388)	-
Result for the year	-	-	842,273,503	842,273,503
Paid-up capital	<u>4,450</u>	<u>-</u>	<u>-</u>	<u>4,450</u>
Balance as at 31 December 2024	<u>4,458</u>	<u>595,893,267</u>	<u>842,273,503</u>	<u>1,438,171,228</u>

In respect of the 2024 financial result, the Company distributed a total amount of EUR 706,050,000 as dividend in 2025.

8 Accounts payable

As at 31 December 2024 this item can be detailed as follows:

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
Creditors	24,282,689	6,324,410
Accrued expenses	60,344	38,349
Player balance *	<u>23,678,666</u>	<u>53,501,045</u>
	<u>48,021,699</u>	<u>59,863,804</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, 2024.

Aging Summary of Creditors

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
0-30 days	23,048,182	5,335,257
31-60 days	543,705	983,845
61-90 days	465,170	-
Over 90 days	<u>225,632</u>	<u>5,308</u>
Total	<u>24,282,689</u>	<u>6,324,410</u>

9 Other payables

	<u>31-12-2024</u>	<u>31-12-2023</u>
	€	€
Dividend payable	<u>-</u>	<u>317,075,400</u>

Notes to the income statement

10 Operational costs

	2024	2023
	€	€
Marketing and affiliate expenses	166,947,931	107,120,122
Sponsoring expenses	21,672,551	5,121,329
Webhosting expenses	4,381,314	3,064,957
Software, IT and Hosting expenses	43,818,132	43,861,412
Customer support expenses	6,328,166	4,915,744
Customer compliance support expenses	200,464	207,642
Contractors expenses	126,723	-
Payment processing expenses	28,842,548	56,212,976
Agency expenses	97,960	97,867
Lisence fee	30,878	11,653
Sublicense fees	27,184	-
Depreciation expenses	2,256	2,244
Correction previous year	396,222	(1,442)
	<u>272,872,329</u>	<u>220,614,504</u>

11 General and administrative expenses

	2024	2023
	€	€
Management expenses	552,473	538,166
Legal and professional expenses	222,662	1,144,716
Office rent expenses	41,518	26,489
Bank expenses	472,913	240,852
Crypto wallet expenses	6,136	4,696
Travel and accomodation expenses	48,732	97,929
Other expenses	47,125	259,861
Write off receivables / (payables)	-	91,276
	<u>1,391,559</u>	<u>2,403,985</u>

12 Profit tax

The Company's profit tax is determined in accordance with the territorial tax regime of Curaçao. Under this regime, a profit tax rate is applied to the taxable domestic net result.