

Adda Entertainment N.V.
Willemstad

Adda Entertainment N.V.

at Willemstad

Annual report 7 October 2021 until 31 December 2022

Adda Entertainment N.V.
Willemstad

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1. Accountants report

Adda Entertainment N.V.
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Adda Entertainment N.V.
Schout Bij Nacht Doormanweg 40
Willemstad

June 1, 2024

Dear Sirs,

1.1 ACCOUNTANT'S COMPILATION REPORT

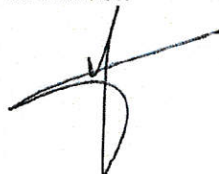
The financial statements of Adda Entertainment N.V. have been compiled by us using the information provided by you. The financial statements comprise the balance sheet as at 31 December 2022 and the income statement for the period 7 October 2021 until 31 December 2022 for the year then ended with the accompanying explanatory notes. These notes include a summary of the accounting policies which have been applied.

This compilation engagement has been performed by us in accordance with International Standard on Related Services 4410, "Compilation engagements", which is applicable to accountants. The standard requires us to assist you in the preparation and presentation of the financial statements in accordance with the accounting policies as described in the notes. To this end we have applied our professional expertise in accounting and financial reporting.

In a compilation engagement, you are responsible for ensuring that the information you give us is correct and that you provide us with all relevant information. Therefore, we have conducted our work in accordance with the applicable regulations and on the assumption that you have fulfilled your responsibility. To conclude our work, we have read the financial statements as a whole and are satisfied that they present a picture in line with our broad understanding of Adda Entertainment N.V..

During this engagement we have complied with relevant ethical requirements. You and other users of these financial statements may therefore assume that we have conducted the engagement in a professional, competent, and objective manner and with due care and integrity and that we will treat all information provided to us as confidential.

inFocus N.V.



W. van Steijn AA

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1.2 GENERAL

Incorporation company

The Company was established on October 7th, 2021.

Activities

The activities of Adda Entertainment N.V. primarily consist of:

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 exceed the corporate objective.

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1.3 FISCAL POSITION

07-10-2021 /
31-12-2022
EUR

Calculation taxable amount

Taxable amount = Result before taxation

(1,371,997)

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2.1 BALANCE SHEET AS AT 31 DECEMBER 2022
(After proposal appropriation of result)

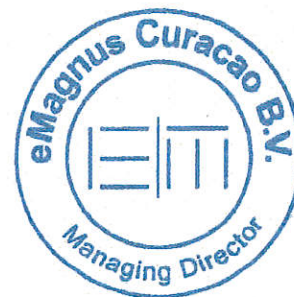
		31-12-2022		07-10-2021	
		EUR	EUR	EUR	EUR
ASSETS					
Fixed assets					
<i>Intangible assets</i>	1				
Development costs			43,938	-	
<i>Property, plant and equipment</i>	2				
Other tangible fixed assets			17,726	-	
Current assets					
<i>Receivables</i>					
Receivables from related entities	3	1,314,488		-	
Unpaid share capital	4	1,000		-	
Accrued income and prepaid expenses	5	1,916		-	
			1,317,404	-	
<i>Cash and cash equivalents</i>					
Deposit			16,502	-	
Total assets			<u>1,395,570</u>		<u>-</u>
EQUITY AND LIABILITIES					
Equity	6				
Share capital paid called up	7	1,000		-	
General reserve		(1,371,997)		-	
			(1,370,997)	-	
Current liabilities					
Trade payables	8	1,302,704		-	
Liabilities to related entities	9	1,387,509		-	
Other payables and short term liabilities	10	76,354		-	
			2,766,567	-	
Total equity and liabilities			<u>1,395,570</u>		<u>-</u>



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2.2 INCOME STATEMENT FOR THE PERIOD 7-10-2021 UNTIL 31-12-2022

		07-10-2021 / 31-12-2022	
		EUR	EUR
Net turnover	11		206,047
Direct expenses (causal non-domestic)	12	335,014	
Personnel expenses (non-domestic)	13	715,522	
Depreciation of intangible and tangible fixed assets	14	40,551	
Special items	15	(858,624)	
Other operating expenses	16	1,350,095	
Total operating expenses			<u>1,582,558</u>
Operating result			(1,376,511)
Financial income and expense	17		<u>4,514</u>
Result before taxation			(1,371,997)
Taxation			-
Net result after taxation			<u>(1,371,997)</u>



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2.3 NOTES TO THE FINANCIAL STATEMENTS

Entity information

Registered address and registration number trade register

The registered and actual address of Adda Entertainment N.V. is Schout Bij Nacht Doormanweg 40, in Willemstad, Curaçao. Adda Entertainment N.V. is registered at the Chamber of Commerce under number 158784.

General accounting principles

The accounting standards used to prepare the financial statements

The financial statements have been prepared in accordance with the accounting policies selected and disclosed by the company, and as set out in the notes to the financial statements. 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 periods presented, unless otherwise stated.

Basis of preparation

Valuation of assets and liabilities and determination of the result take place under the historical cost convention. Unless presented otherwise at the relevant principle for the specific balance sheet item, assets and liabilities are valued according to the cost model.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on the balance sheet date. Losses originating before the end of the financial period are taken into account if they have become known before preparation of the financial statements.

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 (or of the cash-generating unit to which the asset belongs) is higher than its realisable value.

With regard to the determination as to whether an intangible fixed asset is subject to an impairment, please refer to the relevant section.

Research costs are recognised in the income statement. Expenditure on development projects is capitalised as part of the production cost if it is likely from both a commercial and technical perspective that the project will be successful (i.e.: if it is likely that economic benefits will be realised) and the cost can be determined reliably. A legal reserve has been recognised within equity with regard to the recognised development costs for the capitalised amount. The amortisation of capitalised development costs commences at the time when the commercial production starts and takes place over the expected future useful life of the asset.

Goodwill resulting from acquisitions and calculated in accordance with section 'Acquisition and disposal of group companies' is capitalised and amortised on a straight-line basis over the estimated economic life.

Negative goodwill is released in the income statement to the extent that charges and losses occur, if it is taken into account in the allocation of the acquisition and these charges and losses can be measured reliably. If expected charges and losses have not been taken into account, the negative goodwill is released based on the weighted

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average of the remaining life of the acquired amortisable assets. Insofar as the negative goodwill exceeds the fair value of the non-monetary assets identified, the surplus is recognised directly in the income statement.

Property, plant and equipment

Land and buildings are valued at historical cost plus additional costs or production cost less straight-line depreciation based on the expected life. Land is not depreciated. Impairments expected on the balance sheet date are taken into account.

Other tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

Subsidies on investments will be deducted from the historical cost price or production cost of the assets to which the subsidies relate.

For obligations to restore the asset after use (dismantling cost) a provision is recognised for the expected amount at the time of capitalisation. This amount is recognised as part of the carrying amount of the asset against which a provision is formed for the full amount.

A provision for major maintenance has been created for the future costs of major maintenance to the buildings. The addition to the provision is determined based on the expected amount of the maintenance work and the intervals between the times when major maintenance work is carried out.

Receivables

Receivables are initially valued at the fair value of the consideration to be received, including transaction costs if material. Receivables are subsequently valued at the amortised cost price. If there is no premium or discount and there are no transaction costs, the amortised cost price equals the nominal value of the accounts receivable. Provisions for bad debts are deducted from the carrying amount of the receivable.

Equity

When Adda Entertainment N.V. purchases treasury shares, the consideration paid is deducted from equity (other reserves or any other reserve if the articles of association allow so) until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received is included in equity (other reserves or any other reserve). The consideration received will be added to the reserve from which earlier the purchase price has been deducted.

Incremental costs directly attributable to the purchase, sale and/or issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Current liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received taking into account premiums or discounts and minus transaction costs. This is usually the nominal 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. The results on transactions are recognised in the year in which they are realised.

Revenue recognition

Net turnover comprises the income from the supply of goods and services and realised income from construction contracts after deduction of discounts and such like and of taxes levied on the turnover.

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Selling expenses

Selling expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

General and administrative expenses

General and administrative expenses comprise costs chargeable to the year that are not directly attributable to the cost of the goods and services sold.

Amortisation of intangible assets

Intangible fixed assets, including goodwill are amortised from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to capitalised goodwill.

Future amortisation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Depreciation of property, plant and equipment

Tangible fixed assets are depreciated from the date of initial use over the expected future economic life of the asset, while taking into account any applicable restrictions with respect to buildings, investment property, other tangible fixed assets. Land is not depreciated.

Future depreciation is adjusted if there is a change in estimated future useful life.

Gains and losses from the occasional sale of property, plant or equipment are included in depreciation.

Other operating expenses

Costs are determined on a historical basis and are attributed to the reporting year to which they relate.

Financial income and expenses

Interest income and expenses are recognised on a pro rata basis, taking account of the effective interest rate of the assets and liabilities to which they relate. In accounting for interest expenses, the recognised transaction expenses for loans received are taken into consideration.

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, unless hedge-accounting is applied.

Dividends to be received from participations and securities not carried at net asset value are recognised as soon as Adda Entertainment N.V. has acquired the right to them.

Changes in the value of financial instruments recognised at fair value are recorded in the Income statement.

Income tax expense

Tax on the result is calculated based on the result before tax in the income statement, taking account of the losses available for set-off from previous financial years and exempt profit components and after the addition of non-deductible costs. Due account is also taken of changes which occur in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate.

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2.4 NOTES TO THE BALANCE SHEET AS AT 31 DECEMBER 2022

ASSETS

Fixed assets

1 Intangible assets

	Development costs EUR
Book value as at 7 October 2021	-
Investments	71,827
Depreciation	(27,889)
Book value as at 31 December 2022	<u>43,938</u>

2 Property, plant and equipment

	Other tangible fixed assets EUR
Book value as at 7 October 2021	<u>-</u>
Movements	
Investments	30,388
Depreciation	(12,662)
Balance movements	<u>17,726</u>
Balance as at 31 December 2022	
Cost or manufacturing price	30,388
Accumulated depreciation	(12,662)
Book value as at 31 December 2022	<u>17,726</u>

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Current assets

Receivables

	<u>31-12-2022</u>	<u>07-10-2021</u>
	EUR	EUR
3 Receivables from related entities		
Luckbox Enterprises Ltd.	1,007,895	-
mProcessing Solutions Ltd.	74,885	-
mBet Solutions N.V.	231,708	-
	<u>1,314,488</u>	<u>-</u>
Other receivables and current assets		
Miscellaneous prepaid expenses	<u>1,916</u>	<u>-</u>
4 Unpaid share capital		
Unpaid share capital	<u>1,000</u>	<u>-</u>

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EQUITY AND LIABILITIES

6 Equity

	Share capital paid called up	General reser- ve	Total
	EUR	EUR	EUR
Balance as at 7 October 2021	-	-	-
Appropriation of result	-	(1,371,997)	(1,371,997)
Issue of shares	1,000	-	1,000
Balance as at 31 December 2022	<u>1,000</u>	<u>(1,371,997)</u>	<u>(1,370,997)</u>

7 Share capital paid called up

The share capital is EUR 1,000 consisting of 1,000 shares each with a nominal value EUR 1.

Current liabilities

	<u>31-12-2022</u> EUR	<u>07-10-2021</u> EUR
8 Trade payables		
Trade creditors	595,024	-
mBet Solutions NV	685,374	-
Hub88 International BV	22,306	-
	<u>1,302,704</u>	<u>-</u>
9 Liabilities to related entities		
Moon Technologies B.V.	1,350,000	-
Luckbox Holdings FZE	37,509	-
	<u>1,387,509</u>	<u>-</u>
10 Other payables and short term liabilities		
Player balances	45,318	-
Future affiliate payments	2,706	-
Other liabilities	28,330	-
	<u>76,354</u>	<u>-</u>

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2.5 NOTES TO THE INCOME STATEMENT FOR THE PERIOD 7-10-2021 UNTIL 31-12-2022

	07-10-2021 / 31-12-2022 EUR
11 Net turnover	
Revenues	<u>206,047</u>
12 Direct expenses (causal non-domestic)	
PSP fees	130,514
Commission fee	104,637
Casino upstream	28,863
IT & communication	26,231
Affiliate expenses	20,095
License fees	13,500
Fraud & system errors	11,174
	<u>335,014</u>
13 Personnel expenses (non-domestic)	
Wages and salaries	712,026
Other staff expenses	3,496
	<u>715,522</u>
Other staff expenses	
Recruitment expenses	<u>3,496</u>
14 Depreciation of intangible and tangible fixed assets	
Intangible assets amortization	27,889
Depreciation of fixed assets	12,662
	<u>40,551</u>
15 Special items	
Loss compensation JV partner	<u>(858,624)</u>
16 Other operating expenses	
Housing expenses	69,164
Selling expenses	1,139,155
Office expenses	118,682
General expenses	23,094
	<u>1,350,095</u>

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07-10-2021 /
31-12-2022
EUR

Housing expenses

Property Upkeep, Rent & Utilities

69,164

Selling expenses

Advertising

1,139,155

Office expenses

Office expenses

87,296

Automation expenses

31,386

118,682

General expenses

Consultancy

19,577

Bank expenses

3,265

Other general expenses

252

23,094

17 Financial income and expense

Currency translation differences

4,514

Willemstad, June 1, 2024

Adda Entertainment N.V.



KINNITUSMÄRGE

Tallinn, 1. juuli 2024

Mina, Eesti Advokatuuri advokaat Veikko Toomere kinnitan käesoleva ära kirja õigsust, mis on tehtud Adda Entertainment N.V. dokumendist Annual report 7 October 2021 until 31 December 2022. Ärakiri sisaldab 16 (kuusteist) lehekülge. Registreeritud advokaadibüroo kinnitamistoimingute raamatus nr 14, numbri 207 all.


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VERIFYING NOTE

Tallinn, 01 July 2024

I, Veikko Toomere, being a member of The Estonian Bar Association, verify that this document is a true copy that has been made of the original Annual report 7 October 2021 until 31 December 2022 of Adda Entertainment N.V.. The original document has been seen and verified by the certifier. This verified document consists of 16 (sixteen) pages. Registered in the law firm's verification book No 14, under verification number 207.


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