

REPORT TO THE
BOARD OF DIRECTORS OF
TH Gambling N.V.
FINANCIAL STATEMENTS 2022
CURAÇAO, September 20th, 2023

TH Gambling N.V.

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COMPILATION REPORT

To the Board of Directors of
TH Gambling N.V.
Telamonstraat 6
Willemstad, Curaçao

Curaçao: September 20th, 2023

Dear Board of Directors,

COMPILATION REPORT

Introduction

In accordance with your instructions we have compiled the financial statements 2022 of TH Gambling N.V., Curacao, which comprise the balance sheet as at December 31st, 2022, the profit and loss account for the year then ended and the notes.

Management's responsibility

The distinctive feature of a compilation engagement is that we compile financial information based on information provided by management of the entity. Management is responsible for the accuracy and completeness of the information provided and the financial statements based thereon.

Accountant's responsibility

Our responsibility as accountant is to perform our engagement in accordance with Curacao Law, including the professional and ethical requirements applying to accountants. In accordance with the professional standard applicable to compilation engagements, our procedures were limited primarily to gathering, processing, classifying and summarizing financial information. Furthermore we have evaluated the appropriateness of the accounting policies which are used to compile the financial statements, based on the information provided by management. The nature of our procedures does not enable us to express any assurance on the true and fair view of the financial statements.

Confirmation

Based on the information provided to us, we have compiled the financial statements using the accounting policies as included in Part 9 of Book 2 of the Curacao Civil Code.

Steevensz|Beckers Finance



TH Gambling N.V.

Balance sheet as at December 31th, 2022

Assets

	December 31th, 2022		December 31th, 2021	
	EUR.	EUR.	EUR.	EUR.
NON CURRENT ASSETS				
Long-term assets	4,326		2,167	
Restricted cash	<u>142,835</u>		<u>130,537</u>	
		147,161		132,704
CURRENT ASSETS				
Borrowings	499,605		0	
Prepaid expenses	91,610		82,756	
Cash and cash equivalents	<u>264,767</u>		<u>302,961</u>	
		855,982		385,717
		<u>1,003,143</u>		<u>518,421</u>

TH Gambling N.V.

Balance sheet as at December 31th, 2022

Equity and liabilities

[illegible]

TH Gambling N.V.
PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022

	2022		2021	
	EUR.	EUR.	EUR.	EUR.
Income				
Gross gaming Revenue	3,747,643		2,538,162	
Cost of sales	2,222,962		1,768,048	
Gross profit		1,524,681		770,114
OPERATING EXPENSES				
External operational workforce	315,512		172,711	
Gaming licence fees	7,236		7,341	
Inventory Amortisation & Depreciation	1,374		60	
Set-up fee & Market (Competitors) research	6,255		984	
Software tools & subscriptions	474,739		347,756	
Other operational expenses	18,610		0	
Total operating expenses		823,726		528,852
ADMINISTRATIVE EXPENSES				
Legal and professional fees	19,890		19,158	
Other administrative expenses	7,040		2,982	
Rent and other office costs	6,742		6,028	
Salaries and NI contributions	12,991		11,631	
Third party services	3,609		3,307	
Total administrative expenses		50,272		43,106
Other income and expenses		38,763		-13,965
Result before profit tax		611,920		212,121
Profit Tax		-2,107		0
Net result for the year		609,813		212,121

TH Gambling N.V.

PRINCIPAL ACCOUNTING POLICIES

GENERAL

The financial statements have been prepared in accordance the generally accepted accounting principles of Curaçao.

General

The ' Company' incorporated on May 22th, 2018, under the laws of Curaçao and has its corporate seat in Curaçao.

Activities

The main activity of the Company is to organize and operate all types of remote gaming activities.

ACCOUNTING PRINCIPLES BALANCE SHEET

General

Assets and liabilities are reported at the amounts at which they were acquired or incurred unless stated otherwise.

Other assets and liabilities

All other assets and liabilities are stated at the amount at which they were acquired or incurred.

TH Gambling N.V.

ACCOUNTING PRINCIPLES PROFIT AND LOSS ACCOUNT

Costs

Costs are recognised at historical cost in the period in which it is incurred.

TH Gambling N.V.

NOTES TO THE BALANCE SHEET AS AT DECEMBER 31th, 2022

NON CURRENT ASSETS

Long-term assets

	Computers EUR.	Total EUR.
Acquisition costs	2,227	2,227
Accumulated depreciation	60	60
Bookvalue at January 1th	<u>2,167</u>	<u>2,167</u>
<u>Movements</u>		
Investments	3,533	3,533
Depreciation	1,374	1,374
	<u>2,159</u>	<u>2,159</u>
Acquisition costs	5,760	5,760
Accumulated depreciation	1,434	1,434
Bookvalue at December 31th	<u>4,326</u>	<u>4,326</u>

TH Gambling N.V.
NON CURRENT ASSETS (continued)

	31-12-2022	31-12-2021
	EUR.	EUR.
<u>Restricted cash</u>		
Idlebit	123	1,465
Safecharge - IPI	49,732	45,285
Safecharge-SA	92,980	83,787
	<u>142,835</u>	<u>130,537</u>

CURRENT ASSETS
Debtors: amount falling due within one year

Borrowings (THBet / loan)	493,535	0
Borrowings (THBet / Interests)	6,070	0
	<u>499,605</u>	<u>0</u>

Prepaid expenses

Prepaid expenses	91,610	82,756
	<u>91,610</u>	<u>82,756</u>

Cash and cash equivalents

Bank accounts	41,736	0
E-wallets	223,031	302,961
	<u>264,767</u>	<u>302,961</u>

Bank accounts (explanation)

One (AIMS)	41,736	0
	<u>41,736</u>	<u>0</u>

TH Gambling N.V.

CURRENT ASSETS (Continued)

	31-12-2022	31-12-2021
	EUR.	EUR.
<u>Cash and cash equivalents (continued)</u>		
<u>E-wallets (explanation)</u>		
Coinspaid	14,820	22,813
Exodus	622	30,131
Idebit	168	19,643
MiFinity	4,432	28,606
Muchbetter	37,781	25,558
Neteller	55,296	50,482
Safecharge - IPI	34,165	-10,587
Safecharge- SA	36,690	106,834
Skrill	39,057	29,481
	<u>223,031</u>	<u>302,961</u>

TH Gambling N.V.
SHAREHOLDERS' EQUITY

	Share Capital EUR.	Retained Earnings EUR.	Total EUR.
January 1th	85	-4,828	-4,743
Result book year	0	609,813	609,813
Dividends	0	0	0
Other movements	0	0	0
December 31th	<u>85</u>	<u>604,985</u>	<u>605,070</u>

31-12-2022

EUR.

31-12-2021

EUR.

Share Capital

1 shares of USD. 100 each.

85	85
<u>85</u>	<u>85</u>

Retained Earnings

January 1th	-4,828	-216,949
Result book year	609,813	212,121
Dividends	0	0
December 31th	<u>604,985</u>	<u>-4,828</u>

TH Gambling N.V.
NON CURRENT LIABILITIES

	31-12-2022	31-12-2021
	EUR.	EUR.
<u>Creditors: amount due after one year</u>		
Borrowings (THBet / loan)	23,695	402,661
Borrowings (THBet / Interests)	13,297	6,196
	<u>36,992</u>	<u>408,857</u>

CURRENT LIABILITIES
Creditors: amount falling due within one year

Borrowings (THBet / loan)	0	-378,965
Borrowings (THBet / Interests)	0	7,101
	<u>0</u>	<u>-371,864</u>

Trade and other payables

Accounts payable	236,248	298,086
Customer balances	79,396	26,586
Jackpot winning 2021	39,500	159,499
Accrued legal and professional fees	3,830	2,000
	<u>358,974</u>	<u>486,171</u>

Payroll liabilities & Other tax liabilities

AOV/AWW payable	0	0
AVBZ payable	0	0
BVZ payable	0	0
Wages to be paid	0	0
ZV/OV payable	0	0
Profit Tax payable	2,107	0
	<u>2,107</u>	<u>0</u>

TH Gambling N.V.

	2022	2021
NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022	EUR.	EUR.
Gross gaming Revenue		
Casino revenue	3,526,980	2,302,525
Confiscated revenue (casino)	220,663	68,881
Sports revenue	0	166,756
	<u>3,747,643</u>	<u>2,538,162</u>
Cost of sales		
Affiliate marketing fixed fees	85,371	163,397
Affiliate marketing revenue share	493,977	336,115
Player's engagement tools	615,223	361,461
Third-party minimum fees & revenue share	615,306	593,826
Transaction fees	413,085	313,249
	<u>2,222,962</u>	<u>1,768,048</u>
Player's engagement tools (explanation)		
Bonus conversion to real money "cash"	560,365	310,125
Competitionlab rewards	54,858	51,336
	<u>615,223</u>	<u>361,461</u>
Third-party minimum fees & revenue share (explanation)		
Casino	594,636	513,848
Sports	20,670	17,925
Other	0	62,053
	<u>615,306</u>	<u>593,826</u>
Transaction fees (explanation)		
Deposits fee	194,095	168,764
Exchange currency fee	189,073	127,845
Min fixed fee	22,128	4,012
Withdrawals fee	7,789	12,628
	<u>413,085</u>	<u>313,249</u>

TH Gambling N.V.

	2022	2021
NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022	EUR.	EUR.

OPERATING EXPENSES

External operational workforce	315,512	172,711
Gaming licence fees	7,236	7,341
Inventory Amortisation & Depreciation	1,374	60
Set-up fee & Market (Competitors) research	6,255	984
Software tools & subscriptions		
Arcanebet platform	433,500	314,000
Google Add's- PPC Strategy	148	0
Marketing	2,067	472
Platform certification and fraud prevention	15,672	11,526
Players support/review services	23,352	21,758
Total Software tools & subscriptions	474,739	347,756
Other operational expenses	18,610	0
	<u>823,726</u>	<u>528,852</u>

ADMINISTRATIVE EXPENSES

Legal and professional fees	19,890	19,158
Other administrative expenses		
Bank fees	7,040	2,982
Total Other administrative expenses	<u>7,040</u>	<u>2,982</u>

Rent and other office costs

Office furniture & small purchases	156	137
Office rent & utilities	6,014	5,382
Telephone cost	572	509
	<u>6,742</u>	<u>6,028</u>

TH Gambling N.V.

	2022	2021
NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR 2022	EUR.	EUR.
<u>ADMINISTRATIVE EXPENSES (Continued)</u>		
Salaries and NI contributions		
Gross salaries	10,717	9,589
Premium AOV/AWW	993	895
Premium AVBZ	52	47
Premium BVZ	972	870
Premium ZV/OV	257	230
	<u>12,991</u>	<u>11,631</u>
Third party services		
Hosting service	3,609	3,307
	<u>3,609</u>	<u>3,307</u>
Other income and expenses		
Interest expenses	-6,070	7,101
Realised gain on currency exchange rates	-16,487	-51,488
Realised loss on currency exchange rates	61,320	30,422
	<u>38,763</u>	<u>-13,965</u>
Profit Tax		
Profit Tax	2,107	0
	<u>2,107</u>	<u>0</u>

OTHER INFORMATION

TH Gambling N.V.**ALLOCATION OF PROFIT AND LOSSES**

As stated in the Articles of Association the result will be made available at the Annual General Meeting of the shareholders.

The managing director proposes the following:

2022

EUR.

Addition to the retained earnings

609,813

This proposition has to be approved by the Annual General Meeting but is yet disclosed in the financial statements.

OTHER INFORMATIONEmployment information

The Company had 1 employee during 2022.

Remuneration of the Managing Director

A remuneration to the Managing Directors was paid in 2022.