

# **Betsala B.V.**

**Financial Statements**  
for the year ended December 31, 2022

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Statement of financial position

(All amounts in EUR)

|                                          |      | 31-Dec         |                |
|------------------------------------------|------|----------------|----------------|
|                                          | Note | 2022           | 2021           |
| <b>Assets Current</b>                    |      |                |                |
| <b>assets</b>                            |      |                |                |
| Accounts receivable                      |      | 55,203         | -              |
| Receivable from related company          |      | 65,000         | -              |
| Cash and cash equivalents                | 4    | 344,148        | 28,996         |
| Prepaid expenses                         |      | 9,211          | 2,714          |
| Unbilled revenue                         |      | 7,341          | 2,613          |
| <b>Total current assets</b>              |      | <b>480,903</b> | <b>34,323</b>  |
| <b>Non-current assets</b>                |      |                |                |
| Tangible assets (net book value)         | 5    | 4,000          | -              |
| Other assets                             | 6    | 18,296         | 14,576         |
| <b>Total non-current assets</b>          |      | <b>22,296</b>  | <b>14,576</b>  |
| <b>Total assets</b>                      |      | <b>503,199</b> | <b>48,899</b>  |
| <b>Equity and liabilities</b>            |      |                |                |
| <b>Current liabilities</b>               |      |                |                |
| Accounts payable                         |      | 396,021        | 71,204         |
| Accrued expenses                         | 7    | 3,060          | 6,617          |
| Payable to related companies             |      | 58,238         | -              |
| Payable to shareholders                  | 8    | -              | 70,867         |
| <b>Total current liabilities</b>         |      | <b>457,319</b> | <b>148,688</b> |
| <b>Equity</b>                            |      |                |                |
| Issued capital                           | 9    | 100            | 100            |
| Additional capital                       |      | 735,782        | 142,915        |
| Retained earnings / (Accumulated losses) |      | -690,002       | -242,804       |
| <b>Total equity</b>                      |      | <b>-45,880</b> | <b>-99,789</b> |
| <b>Total liabilities and equity</b>      |      | <b>503,199</b> | <b>48,899</b>  |

See accompanying notes.

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Statement of profit or loss

(All amounts in EUR)

|                                                  | Note | 2022            | 2021            |
|--------------------------------------------------|------|-----------------|-----------------|
| Revenue                                          | 10   | 542,541         | 175,706         |
| Direct cost                                      | 11   | -3,139          | -4,659          |
| Gross profit / (loss)                            |      | <b>539,402</b>  | <b>171,047</b>  |
| Selling and marketing expenses                   |      | -780,224        | -288,415        |
| Administrative expenses                          | 12   | -193,771        | -12,942         |
| Profit / (loss) from operations                  |      | <b>-434,593</b> | <b>-130,310</b> |
| Finance cost                                     | 13   | -12,605         | -7,369          |
| Profit / (loss) before tax                       |      | <b>-447,198</b> | <b>-137,679</b> |
| Profit tax expense                               | 3    | -               | -               |
| Profit / (loss) for the year                     |      | <b>-447,198</b> | <b>-137,679</b> |
| Other comprehensive income                       |      | -               | -               |
| Total comprehensive income / (loss) for the year |      | <b>-447,198</b> | <b>-137,679</b> |
| Attributable to the owners                       |      | <b>-447,198</b> | <b>-137,679</b> |

See accompanying notes.

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Statement of changes in equity

(All amounts in EUR)

|                                                         | Issued capital | Additional capital | Retained earnings /<br>(Accumulated losses) | Total           |
|---------------------------------------------------------|----------------|--------------------|---------------------------------------------|-----------------|
| <b>Balance, December 31, 2019</b>                       | <b>100</b>     | <b>67,915</b>      | <b>-48,422</b>                              | <b>19,593</b>   |
| Profit / (loss) for the year                            | -              | -                  | -56,703                                     | -56,703         |
| Other comprehensive income                              | -              | -                  | -                                           | -               |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-</b>       | <b>-</b>           | <b>-56,703</b>                              | <b>-56,703</b>  |
| <b>Balance, December 31, 2020</b>                       | <b>100</b>     | <b>67,915</b>      | <b>-105,125</b>                             | <b>-37,110</b>  |
| Profit / (loss) for the year                            | -              | -                  | -137,679                                    | -137,679        |
| Other comprehensive income                              | -              | -                  | -                                           | -               |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-</b>       | <b>-</b>           | <b>-137,679</b>                             | <b>-137,679</b> |
| Additional capital                                      | -              | 75,000             | -                                           | 75,000          |
| <b>Balance, December 31, 2021</b>                       | <b>100</b>     | <b>142,915</b>     | <b>-242,804</b>                             | <b>-99,789</b>  |
| Profit / (loss) for the year                            | -              | -                  | -447,198                                    | -447,198        |
| Other comprehensive income                              | -              | -                  | -                                           | -               |
| <b>Total comprehensive income / (loss) for the year</b> | <b>-</b>       | <b>-</b>           | <b>-447,198</b>                             | <b>-447,198</b> |
| Additional capital                                      | -              | 592,867            | -                                           | 592,867         |
| <b>Balance, December 31, 2022</b>                       | <b>100</b>     | <b>735,782</b>     | <b>-690,002</b>                             | <b>-45,880</b>  |

See accompanying notes.

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Statement of cash flows

(All amounts in EUR)

|                                                          | Note | 2022            | 2021           |
|----------------------------------------------------------|------|-----------------|----------------|
| <b>Cash flow from operating activities</b>               |      |                 |                |
| Profit / (loss) for the year                             |      | -447,198        | -137,679       |
| Add back: Depreciation                                   |      | 267             | -              |
| (Increase) / decrease in accounts receivable             |      | -55,203         | -              |
| (Increase) / decrease in receivable from related company |      | -65,000         | -              |
| (Increase) / decrease in prepaid expenses                |      | -6,497          | -1,950         |
| (Increase) / decrease in unbilled revenue                |      | -4,728          | -2,613         |
| Increase / (decrease) in accounts payable                |      | 324,817         | 68,654         |
| Increase / (decrease) in accrued expenses                |      | -3,557          | -              |
| Increase / (decrease) in payable to related companies    |      | 58,238          | 3,917          |
| Increase/ (decrease) in payable to shareholders          |      | -70,867         | -              |
| <b>Net cash generated from operating activities</b>      |      | <b>-269,728</b> | <b>-49,934</b> |
| <b>Cash flow from investing activities</b>               |      |                 |                |
| (Increase) / decrease in tangible assets                 |      | -4,267          | -              |
| (Increase) / decrease in other assets                    |      | -3,720          | -              |
| <b>Net cash generated from investing activities</b>      |      | <b>-7,987</b>   | <b>-</b>       |
| <b>Cash flow from financing activities</b>               |      |                 |                |
| Increase / (decrease) in additional capital              |      | 592,867         | 75,000         |
| <b>Net cash generated from financing activities</b>      |      | <b>592,867</b>  | <b>75,000</b>  |
| <b>Net increase / (decrease) in cash</b>                 |      | <b>315,152</b>  | <b>29,066</b>  |
| <b>Cash at the beginning of the year</b>                 |      | <b>28,996</b>   | <b>3,930</b>   |
| <b>Cash at the end of the year</b>                       | 4    | <b>344,148</b>  | <b>28,996</b>  |

See accompanying notes.

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**Notes to financial statements**

**1. General information**

Betsala B.V. (the company) was established on April 04, 2019 in Curaçao as a private limited liability company. The address of its registered office is Fransche Bloemweg 4, Curaçao. The company was registered in the Commercial register of Curaçao Chamber of Commerce & Industry under the number 149818.

The main objectives of the company are -

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 exceeded the corporate objective.

The management of the company is borne by a board of directors. As of December 31, 2022, the management of the company is borne by the following directors:

- Albert Bellavista Vilanova

Statutory Director

**2. Summary of significant accounting policies**

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 years presented, unless otherwise stated.

**Basis of presentation**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. The financial statements are presented in EUR and all values are presented in actual, unless otherwise stated.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies.

Previous year's figures have been regrouped to conform to current year's presentation.

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**Cash and cash equivalents**

Cash and cash equivalents include deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**Foreign currency transactions**

The financial statements are presented in EUR, which is the company's functional and presentation currency. Transactions denominated in foreign currencies are translated at the exchange rate prevailing when the transaction is realized. The exchange results are recorded in the statement of profit or loss.

Monetary assets and liabilities denominated in foreign currencies are translated into EUR at the exchange rates prevailing at the end of the year.

**Financial instruments****Financial assets****Initial recognition and measurement**

Financial assets within the scope of IFRS 9 are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

The company's financial assets include cash and cash equivalents, prepaid expenses and other assets.

**Financial liabilities****Initial recognition and measurement**

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

The company's financial liabilities include accounts payable, accrued expenses and other payables.

**Subsequent measurement**

The subsequent measurement of financial assets and liabilities depends on their classification.

### **Revenue recognition**

Gaming revenue is represented by the difference between the amounts of bets placed by customers less amounts won, net of bonuses and loyalty points, if any. The revenue is recognized at the fair value of the consideration.

### **Impairment of long-lived assets**

Long-lived assets, other than goodwill, are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets is measured by comparison of the carrying amount of the asset to the net undiscounted future cash flows expected to be generated from the asset. If the future undiscounted cash flows are not sufficient to recover the carrying value of the assets, the assets' carrying value is adjusted to fair value. The company regularly evaluates its long-lived asset for indicators of possible impairment. To date no impairment has been recorded.

### **Concentration of credit risk and certain other risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The company does not have significant exposure to any individual client or counter party. Management of credit risk involves a number of considerations, such as financial profile of the counter party, specific terms and duration of the contractual agreement. There exists a risk of non-performance, however management believes that the company's exposure to credit risk associated with non-performance of its counter party is minimum.

### **New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2022 and not early adopted**

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the company.

### **3. Profit taxes**

The company is subject to a territorial tax system, wherein the income earned in Curaçao is subject to 22% of profit taxes and the foreign source income is subject to 0% of profit taxes.

### **4. Cash and cash equivalents**

|                  | <b>2022</b>    | <b>2021</b>   |
|------------------|----------------|---------------|
| Balances at bank | 344,148        | 28,996        |
|                  | <b>344,148</b> | <b>28,996</b> |

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**5. Tangible assets**

|                       | <b>Furniture &amp;<br/>Fixtures</b> | <b>Total<br/>Tangible<br/>Assets</b> |
|-----------------------|-------------------------------------|--------------------------------------|
| <b>Cost</b>           |                                     |                                      |
| At 1 January 2022     | -                                   | -                                    |
| Additions             | 4,267                               | 4,267                                |
| At 31 December 2022   | <b>4,267</b>                        | <b>4,267</b>                         |
| <b>Depreciation</b>   |                                     |                                      |
| At 1 January 2022     | -                                   | -                                    |
| Charge for the year   | -267                                | -267                                 |
| At 31 December 2022   | <b>267</b>                          | <b>267</b>                           |
| <b>Net book value</b> |                                     |                                      |
| At 31 December 2022   | <b>4,000</b>                        | <b>4,000</b>                         |

**6. Other assets**

|                           | <b>2022</b>   | <b>2021</b>   |
|---------------------------|---------------|---------------|
| Deposit to Betconstruct   | 14,576        | 14,576        |
| Deposit for office rental | 3,720         | -             |
|                           | <b>18,296</b> | <b>14,576</b> |

**7. Accrued expenses**

|                                | <b>2022</b>  | <b>2021</b>  |
|--------------------------------|--------------|--------------|
| Sales commission               | -            | 3,917        |
| Annual compliance fees         | -            | 2,700        |
| Selling and marketing expenses | 3,060        | -            |
|                                | <b>3,060</b> | <b>6,617</b> |

**8. Payable to shareholders**

Payable to shareholders represents amounts paid by the shareholders on behalf of the company net of payment made by the company on behalf of the shareholders. The amount payable is repayable on demand and does not carry any interest. The payable in the amount of EUR 70,867 (seventy thousand eight hundred sixty-seven euros) has been converted into a share premium capital contribution to the Company with effective date December 31, 2022.

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**9. Issued capital**

The issued capital of the company as at December 31, 2022 and December 31, 2021, consists of 100 common shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2022 and 2021.

**10. Revenue**

|                | 2022           | 2021           |
|----------------|----------------|----------------|
| Gaming revenue | 542,541        | 175,706        |
|                | <b>542,541</b> | <b>175,706</b> |

**11. Direct cost**

|                     | 2022         | 2021         |
|---------------------|--------------|--------------|
| Direct gaming costs | 3,139        | 2,159        |
| Software expenses   | -            | 2,500        |
|                     | <b>3,139</b> | <b>4,659</b> |

**12. Administrative expenses**

|                      | 2022           | 2021          |
|----------------------|----------------|---------------|
| Salaries             | 141,961        | -             |
| Legal and compliance | 20,628         | 2,700         |
| Rent expenses        | 12,035         | 500           |
| Professional fees    | 9,010          | 9,642         |
| Travelling expenses  | 5,600          | -             |
| Office expenses      | 3,624          | -             |
| Other expenses       | 646            | 100           |
| Depreciation         | 267            | -             |
|                      | <b>193,771</b> | <b>12,942</b> |

**13. Finance cost**

|                | 2022          | 2021         |
|----------------|---------------|--------------|
| Bank charges   | 14,517        | 7,369        |
| Realized forex | -1,912        | -            |
|                | <b>12,605</b> | <b>7,369</b> |

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**14. Fair value**

Fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to arrive at the fair value:

Cash and cash equivalents, prepaid expenses, other assets, accrued expenses, accounts payable and other payables approximate the carrying amount largely due to the short-term maturity.

**15. Contingencies, commitments and legal proceedings**

The company has no contingent or future purchase liabilities and is not involved in any legal actions.

**16. Subsequent events**

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2022. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2022.

**17. Authorization for issue**

These financial statements for the year ended December 31, 2022 was approved by the board of directors and authorized for issue on November 28, 2023.

**Board of Directors:**

Name

Function

Signature

Albert Bellavista Vilanova

Statutory Director

