

DMG SOLUTIONS B.V.

Financial Statements

for the years ended December 31, 2024 and December 31, 2023

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DMG SOLUTIONS B.V.

Director's Report

General Information

Registration

DMG Solutions B.V. is registered in Curaçao as a private limited liability company in the Commercial register of the Curaçao Chamber of Commerce & Industry with registration number 148273.

Statutory Director

Downtown E-Commerce Company B.V.

Registered address:

Zuikertuintjeweg Z/N
Zuikertown Tower
Curaçao

Director's Responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- adopt the going concern basis unless it is inappropriate to presume that the company will continue in the business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company. This responsibility includes designing, implementing and maintaining such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Director's Report

Financial Statements

The director is pleased to present to the shareholder, the unaudited financial statements of DMG Solutions B.V. (the “Company”) for the financial period ended 31 December 2024. The underlying administration of these financial statements was provided by an external accounting office. In the director’s opinion, the Company’s financial statements are prepared based on the documents and information provided to the accounting office. The financial statements, based on these documents and information, give a true and fair view of the financial position of the Company as at December 31, 2024 and the financial performance, changes in equity and cash flows of the Company for the financial period ending on that date.

Signature

Glenn Cretiën Rellum

On behalf of

Downtown E-Commerce Company B.V.

Director

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Statement of Financial Position

(All amounts in EUR)

		31-Dec	
	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	4	616,403	498,070
Prepaid expenses		48,642	1,500
Receivable from group companies	5	5,300,674	6,368,979
Total current assets		5,965,719	6,868,549
Total assets		5,965,719	6,868,549
Equity and liabilities			
Current liabilities			
Accounts payable		512,206	247,103
Accrued expenses		2,831,046	3,543,656
Amounts payable to shareholder	6	76,774	76,774
Payable to players		389,937	1,059,879
Total current liabilities		3,809,963	4,927,412
Equity			
Issued capital	7	100	100
Retained earnings		2,155,656	1,941,037
Total equity		2,155,756	1,941,137
Total liabilities and equity		5,965,719	6,868,549

See accompanying notes.

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Statement of Profit or Loss

(All amounts in EUR)

	Note	2024	2023
Revenue (Net)	8	30,127,450	16,352,302
Direct cost	9	(7,997,756)	(8,126,227)
Gross profit		22,129,694	8,226,075
Selling and marketing expenses	10	(9,691,829)	(7,261,656)
Administrative expenses	11	(11,761,640)	(237,975)
Profit from operations		676,225	726,444
Finance cost	12	(461,606)	(173,213)
Profit before tax		214,619	553,231
Profit tax expense	3	-	-
Profit for the year		214,619	553,231
Other comprehensive income		-	-
Total comprehensive income for the year		214,619	553,231
Attributable to the owners		214,619	553,231

See accompanying notes.

DMG SOLUTIONS B.V.**Statement of Changes in Equity**

(All amounts in EUR)

	Issued capital	Retained earnings / (Accumulated losses)	Total
Balance, December 31, 2022	100	1,387,806	1,387,906
Profit for the year	-	553,231	553,231
Total comprehensive income for the year	-	553,231	553,231
Balance, December 31, 2023	100	1,941,037	1,941,137
Profit for the year	-	214,619	214,619
Total comprehensive income for the year	-	214,619	214,619
Balance, December 31, 2024	100	2,155,656	2,155,756

See accompanying notes.

DMG SOLUTIONS B.V.**Statement of Cash Flows**

(All amounts in EUR)

	Note	2024	2023
Cash flow from operating activities			
Profit for the year		214,619	553,231
(Increase) / decrease in prepaid expenses		(47,142)	6,000
(Increase) / decrease in receivable from group companies		1,068,305	(2,935,902)
Increase / (decrease) in accounts payable		265,103	(1,808,072)
Increase / (decrease) in accrued expenses		(712,610)	3,505,005
Increase / (decrease) in payable to shareholder		-	900
Increase / (decrease) in payable to players		(669,942)	456,810
Net cash generated from operating activities		118,333	(222,028)
Net increase / (decrease) in cash		118,333	(222,028)
Cash at the beginning of the year		498,070	720,098
Cash at the end of the year	4	616,403	498,070

See accompanying notes.

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Notes to the Financial Statements

1. General information

DMG Solutions B.V. (the company) was established on October 12, 2018 in Curaçao as a private limited liability company. The address of its registered office is Zuikertuintjeweg Z/N Zuikertown Tower, Curaçao. The company was registered in the Commercial register of the Curaçao Chamber of Commerce & Industry under the number 148273.

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.

As of December 31, 2024, the management of the company is borne by a single statutory director:

- Downtown E-Commerce Company B.V.	Statutory Director
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2. Summary of material 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 separate 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 values, 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.

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2. Summary of material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, 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, held-to-maturity investments, available-for-sale financial assets, 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.

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2. Summary of material accounting policies (continued)

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

Casino 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.

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2. Summary of material accounting policies (continued)

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 01 January 2024 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 income earned in Curaçao is subject to 15% taxes on income up to 500,000 XCG and 22% thereafter. Foreign sourced income is subject to 0% tax.

4. Cash and cash equivalents

	2024	2023
Balances with bank	331,987	119,584
Balances with PSP	284,416	378,486
	616,403	498,070

5. Receivable from group companies

	2024	2023
C/A Damagi Marketing Solutions Ltd	5,300,674	6,368,979
	5,300,674	6,368,979

6. Amounts payable to shareholder

Amounts payable to shareholder represent expenses paid by the shareholder on behalf of the company. The payable amount does not carry any interest and is repayable on demand.

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7. Issued capital

The issued capital of the company as on December 31, 2024 and December 31, 2023 consists of 100 shares with a nominal value of EUR 1 each and subscribed for EUR 100.

No dividends were declared in 2024 and 2023.

8. Revenue (Net)

	2024	2023
Bets placed	645,515,515	373,357,524
Less: Bets won	(610,925,203)	(355,224,521)
Gross gaming revenue	34,590,312	18,133,003
Less: Bonus	(5,202,115)	(1,753,683)
Others	739,253	(27,018)
	<u>30,127,450</u>	<u>16,352,302</u>

9. Direct cost

	2024	2023
License and server fees	3,944,667	5,821,914
Payment provider fees	3,889,969	2,274,214
CRM costs	163,120	-
Software expenses	-	20,099
Agency fees	-	10,000
	<u>7,997,756</u>	<u>8,126,227</u>

10. Selling and marketing expenses

	2024	2023
Sales commission	9,691,829	3,697,086
Marketing expenses	-	3,458,339
Advertising and promotional expenses	-	106,231
	<u>9,691,829</u>	<u>7,261,656</u>

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11. Administrative expenses

	2024	2023
Monthly IP license service fees	9,036,285	-
Professional fees	1,137,452	236,175
Intercompany gaming costs recharge	854,495	-
Platform sublicense fees	300,000	-
Intercompany admin fees recharged	284,358	-
Compliance fees	120,000	-
Subscriptions	29,050	-
Loss on sale of investment	-	1,800
	11,761,640	237,975

12. Finance cost

	2024	2023
Exchange loss / (gain)	383,941	2,125
Bank charges	77,665	171,088
	461,606	173,213

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

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14. Contingencies, commitments and legal proceedings

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

15. Subsequent events

In connection with the preparation of the financial statements, the company evaluated subsequent events after the balance sheet date of December 31, 2024. Based on their evaluation there are no subsequent events that have a significant effect on the financial statements as at December 31, 2024.

16. Authorization for issue

These financial statements for the year ended December 31, 2024 were approved by the board of directors and authorized for issue on February 4, 2026.

Board of Directors:

<u>Name</u>	<u>Function</u>	<u>Signature</u>
Downtown E-Commerce Company B.V.	Statutory Director	